



# SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

## EMPLOYMENT TRENDS

The Seaport Labor Market Area (LMA), which includes both Nez Perce County in Idaho and Asotin County in Washington, continues to be the economic engine in North Central Idaho. During 2002 *Total Employment* (a count of people) increased by 550. The number of *Nonfarm Payroll Jobs* (a count of jobs) decreased 1.8 percent to 26,240. Similiar to other urban economies throughout the state, expansion of the economy of the Seaport area slowed, stopped, and is now decreasing. As Seaport Table 1 shows, there were few increases in industry totals—only *All Other Manufacturing* and *Government Administration* posted increases for 2002.

Layoffs occurred in almost all sectors of *Manufacturing* including *Food Processing*, *Lumber & Wood Products*, and *Paper & Allied Products*. These layoffs have occurred in high wage manufacturing jobs, which will have a profound effect by reducing the amount of dollars circulating in the general economy in 2003. The loss of *Manufacturing* payroll may produce a rippling effect of cutbacks across *Retail* and *Services* industries. Between 1997 and the first half of 2001, a majority of new jobs were created in the *Services* and *Trade* industries. Though these jobs helped reduce unemployment, the jobs were usually part-time without benefits and offered low wages. Workers in these part-time jobs were counted as employed even if they were looking for full-time opportunities. As a result, a large pool of underemployed workers was created. Underemployed workers are generally seeking full-time employment with benefits and wages above \$8.00 per hour. Counting these workers as employed reduces unemployment but masks a growing issue. However, there was some good news. Although *Services* recorded decreases, jobs in the *Health Care* sector are at record high levels. An expanding group of new health care professionals continue to move into the area.

From 2001 to 2002 in Nez Perce and Asotin Counties, the number of employ-

Seaport Table 1: Labor Force & Employment  
Nez Perce County, Idaho and Asotin County, Washington

	Projected 2002	2001	% Change From Last Year
INDIVIDUALS BY PLACE OF RESIDENCE			
Civilian Labor Force	34,780	34,260	1.5
Unemployed	1,470	1,500	-2.0
% of Labor Force Unemployed	4.2	4.4	
Total Employment	33,310	32,760	1.7
JOBS BY PLACE OF WORK			
<b>Nonfarm Payroll Jobs**</b>	26,240	26,720	-1.8
<b>Goods-Producing Industries</b>	5,130	5,160	-0.6
Construction & Mining	1,360	1,380	-1.4
Manufacturing	3,770	3,780	-0.3
Food & Kindred Products	100	130	-23.1
Lumber & Wood Products	680	710	-4.2
Paper & Allied Products	1,660	1,670	-0.6
All Other Manufacturing	1,330	1,270	4.7
<b>Service-Producing Industries</b>	21,110	21,560	-2.1
Transportation	1,350	1,350	0.0
Communication & Utilities	280	300	-6.7
Wholesale Trade	940	960	-2.1
Retail Trade	4,930	5,020	-1.8
Finance, Insurance & Real Estate	1,640	1,730	-5.2
Services & Misc.	6,960	7,140	-2.5
Government Administration	2,680	2,670	0.4
Government Education	2,330	2,390	-2.5

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month.

ers decreased by 22 to 1,815. These were mostly small employers in the *Services* and *Trade* industries. The number of large employers, those with 200 or more employees, remained the same, but their overall total employment decreased. New employers in 2002 were small businesses with fewer than five workers.

Other economic developments in 2002 include the following:

- American West Steamboat Company announced it would debut a new vessel in 2003, doubling the number of passengers it brings to the area.
- Nez Perce Plaza in Lewiston opened a Safeway, a Home Depot, an AmericanWest bank, and other smaller businesses.
- Pacific Cataract and Laser Institute opened a new, larger building at Bryden Canyon Road in Lewiston.
- Lewis and Clark Bicentennial is approaching and commemorative merchandise, from clothing to firearms, is being sold locally.
- Harley-Davidson announced it would open a new store in 2003.

- Regence BlueShield of Idaho plans to build a 70,000-square-foot office complex on 10 acres in the new Business and Technology Park near Thain Grade in Lewiston.
- Enrollment at Lewis-Clark State College (LCSC) was up 0.59 percent in 2002.
- ATK operations in Lewiston continued to grow. Propelled by the expansion of law enforcement after the September 11 terrorist attacks, ammunition made in Lewiston is being purchased for new officers that were hired after September 11, including federal air marshals. According to company officials, ATK (formerly known as Blount) hired about 100 new workers.
- The Washington State minimum wage increased 11 cents, to \$7.01 an hour, on January 1, 2003. The Idaho and Federal minimum wage is \$5.15 an hour. There are no increases immediately planned for either Idaho or the U.S.
- The Nez Perce Tribe's \$16 million fish hatchery opened in 2002.
- Potlatch Corporation, the Lewiston-Clarkston Valley's largest employer, announced layoffs in both the spring and fall of 2002.
- Construction was delayed on Lewis-Clark State College's (LCSC) \$16.4 million activity center as a result of the state building freeze, which was instituted due to the state's budget shortfall.

### Clearwater County

*Total Employment* in Clearwater County decreased in 2002 (see *Seaport Table 2: Labor Force & Employment by County*), mainly because of the continuing impact of the closure of the Jaype Mill in Pierce. With the mill closure and the elimination of 225 jobs, Clearwater County's unemployment increased to the highest rate in the state. Employment decreases in almost all industries indicate the local economy is suffering.

Local economic development groups continued trying to diversify the economy. Along with efforts to attract new businesses, attention has also been given to help existing businesses grow and create new jobs. To assist with business expansion, an industrial park in Orofino is being constructed with plans to open in 2003.

The number of employers in Clearwater County decreased from 2001 to 2002 by 10 for a total of 335. In spite of this, some new small employers (fewer than five employees) did open. *Government* accounted for 42 percent of all jobs and has had a stabilizing influence on the economy even during times of stress. Summer tourism was up in 2002 and is expected to grow through 2004 as people from all over the country visit the county to commemorate the bicentennial of the Lewis and Clark Expedition. The scenic Lolo portion of the trail, ending near Pierce, has become a popular destination for visitors. A concern in the economy continues to be how the resolution of the salmon issue will impact tourism and the Dworshak

Seaport Table 2: Employment by County

Clearwater County Nonfarm Payroll Jobs		Estimated	Percent Change
	2001	2002	2001-2002
<b>Total Nonfarm Payroll Jobs</b>	2,930	2,830	-3.4
<b>Goods-Producing Industries</b>	620	570	-8.1
Construction & Mining	130	120	-7.7
Manufacturing	490	450	-8.2
<b>Service-Producing Industries</b>	2,310	2,260	-2.2
Transportation, Comm. & Utilities	100	80	-20.0
Trade	450	440	-2.2
Finance, Ins. & Real Estate	70	70	0.0
Services & Misc.	500	490	-2.0
Government Administration	890	860	-3.4
Government Education	300	320	6.7
Idaho County Nonfarm Payroll Jobs		Estimated	Percent Change
	2001	2002	2001-2002
<b>Total Nonfarm Payroll Jobs</b>	4,320	4,190	-3.0
<b>Goods-Producing Industries</b>	960	910	-5.2
Construction & Mining	320	290	-9.4
Manufacturing	640	620	-3.1
<b>Service-Producing Industries</b>	3,360	3,280	-2.4
Transportation, Comm. & Utilities	210	210	0.0
Trade	860	840	-2.3
Finance, Ins. & Real Estate	130	130	0.0
Services & Misc.	750	720	-4.0
Government Administration	1,020	1,000	-2.0
Government Education	390	380	-2.6
Latah County Nonfarm Payroll Jobs		Estimated	Percent Change
	2001	2002	2001-2002
<b>Total Nonfarm Payroll Jobs</b>	14,680	14,350	-2.2
<b>Goods-Producing Industries</b>	1,050	1,020	-2.9
Construction & Mining	390	400	2.6
Manufacturing	660	620	-6.1
<b>Service-Producing Industries</b>	13,630	13,330	-2.2
Transportation, Comm. & Utilities	280	270	-3.6
Trade	3,570	3,520	-1.4
Finance, Ins. & Real Estate	330	340	3.0
Services & Misc.	2,840	2,810	-1.1
Government Administration	830	800	-3.6
Government Education	5,780	5,590	-3.3
Lewis County Nonfarm Payroll Jobs		Estimated	Percent Change
	2001	2002	2001-2002
<b>Total Nonfarm Payroll Jobs</b>	1,150	1,120	-2.6
<b>Goods-Producing Industries</b>	170	150	-11.8
Construction & Mining	30	20	-33.3
Manufacturing	140	130	-7.1
<b>Service-Producing Industries</b>	980	970	-1.0
Transportation, Comm. & Utilities	60	60	0.0
Trade	340	300	-11.8
Finance, Ins. & Real Estate	50	50	0.0
Services & Misc.	100	140	40.0
Government Administration	220	210	-4.5
Government Education	210	210	0.0

Dam. The periodic drawdown of Dworshak Reservoir and increased flows from upper Snake River reservoirs reportedly resulted in an increase in the survival of endangered fall chinook salmon smolts in the Snake River. However, the drawdown adversely affects the amount of water in the Dworshak Reservoir and the Clearwater River, which both provide recreational activities for residents and tourists.

Other county developments in 2002 included the following:

- Most river guides and outfitters in Clearwater County reported an increase in business because of increased steelhead runs.
- Clearwater Valley Hospital in Orofino expanded and is undergoing remodeling. Construction, which started in the summer of 2002, is expected to take about one year.
- King's Discount Department Store opened in Orofino.
- High Country Inn opened near Orofino. Patterned after a Northwest lodge, the inn has a large teaching and professional kitchen. The new inn has space to accommodate weddings and reunions.
- Construction began on a light manufacturing industrial site in Orofino. An expanding local company, Architectural Sign and Engraving, will be the anchor for the new building and will need about half of the space. The other half of the building will provide space to encourage local business to expand or to bring other companies to the county.

### Idaho County

*Total Employment* in Idaho County increased slightly in 2002. However, even with the increase, Idaho County's economy has lost 295 nonfarm jobs from its 1994 record high of 5,941 (see *Seaport Table 2: Employment by County*, on page 12). *Retail Trade* and *Services* industries created new jobs in spite of the closure, indicating a move towards diversifying the economy. In addition to losses in lumber manufacturing, jobs in *Government* decreased because of cutbacks at the U.S. Forest Service and local school districts. The number of jobs in *Agriculture*, a major industry, is just one-third of what it was 20 years ago.

The number of employers in Idaho County increased by 10 from 2001 to 2002 to a total of 559. However, the number of large employers, those with 25 or more employees, decreased. New employers were small businesses, each with fewer than five workers. *Lumber & Wood Products* and *Government* employment represent a large part of the labor force in Idaho County, which is heavily dependent on natural resources. Jobs in both *Lumber & Wood Products* and *Government* decreased in 2002. In addition to permanent layoffs in sawmills, most sawmills in the county experienced temporary layoffs during the year. *Industrial Machinery* continues to be a strong sector. Local machining companies in the Grangeville and Cot-

tonwood areas have gained national attention and are receiving orders from all over the country.

Economic groups in Idaho County are encouraging the development of an industrial park at the Grangeville airport. Several small local companies are looking at the proposed park for expansion. Another proposed development is expansion of the Snowhaven Ski Area located near Grangeville.

Other county developments in 2002 included the following:

- Idaho Sewing for Sports, Inc., located near Grangeville, gained national recognition as a supplier for the 2002 Winter Olympic Games.
- A California aircraft engine business relocated to Grangeville.
- Hearthstone Bakery and Tea House opened in Kamiah.
- Guides and outfitters reported an increase in business during the year. This year's steelhead run overwhelmed Idaho hatcheries and provided some of the best steelhead fishing anglers could remember.
- Apple River Productions filmed the movie "Where Rivers Meet" near Grangeville. A majority of the actors and extras were local residents.
- Environmentalists and the timber industry discussed places where they could agree timber harvest should occur. While common ground may be rare, there appeared to be a few locations in the Nez Perce National Forest that both groups agreed could be harvested. One example is the small Dixie fuels reduction project aimed at reducing the risk of fire to the town. Another is the beetle-infested Red River drainage, which could be logged without harming the environment.
- Salvaging was begun on the railroad line from Spalding to Grangeville. The salvage does not include the Craigmont to Spalding section or bridges.

### Latah County

Employment in Latah County peaked in 1995 because of growth in the *Trade* and *Services* industries. However, between 1995 and 2002, employment has decreased 7.0 percent (see *Seaport Table 2: Labor Force & Employment by County*, on page 10). In spite of the decrease, Latah County has one of the lowest unemployment rates in Idaho. The University of Idaho (U of I), established in 1889, employs more than 40 percent of all workers in Latah County. The U of I's presence provides economic stability and insulates the county somewhat from national economic cycles. A significant economic indicator for Latah County is the size of the student population at the U of I. In 2002, student enrollment increased and is expected to increase again in 2003. However, because of budget cutbacks, employment at the U of I is expected to decrease.

The number of employers in Latah County decreased by 28, to 948, from 2001 to 2002. The decrease was primarily from small employers in the *Services* and *Trade* industries. The number of large employers, those with 200 or more employees, remained the same, but total employment decreased in these large employers. New employers in 2002 were small, with less than five workers. By industry, *Government* accounts for 46 percent of all jobs. Employment in 2003 may increase in *Manufacturing*, *Trade*, and *Services*. Future employment increases in *Manufacturing* will result as computer software and hardware companies that are currently in the U of I's business incubator expand and leave the incubator for larger facilities. *Trade* and *Services* increases will follow increases in the student population at the U of I. Whenever the student population increases, so does the demand for workers in *Trade* and *Services*. *Construction*, also an indicator of economic health for the future, is estimated to increase in 2003. According to builders and planners, the number of jobs in both residential and nonresidential *Construction* will increase through 2003.

Other county developments in 2002 included the following:

- The U of I's signature musical event, the Lionel Hampton Jazz Festival, brought more than \$4 million into the regional economy in 2002.
- The U of I reorganized three colleges and consolidated various programs and departments. These changes are expected to reduce U of I's budgetary shortfall and cut redundant positions.
- Gritman Medical Center in Moscow prepared to become a one-stop-shopping place for the health care needs of Palouse residents. The hospital has launched several multi-million dollar expansions.
- Schweitzer Engineering Laboratories realized growth for the 20th year in a row, expanded the Pullman plant, and opened new jobs on the Palouse.
- AmericanWest, headquartered in Spokane, acquired Bank of Latah in a merger. Both banks are based in small communities in Washington and Idaho. AmericanWest operates eight offices in Washington and Idaho, including ones in Moscow and Orofino.
- Latah County Grain Growers began building two 25,000-square-foot buildings with office and retail space along Sixth Street in Moscow. The project cost is estimated at between \$4.5 and \$5 million.
- Park Place Plaza, a professional office condominium project at the Alturas Technology Park in east Moscow, was completed in 2002. Tenants for the new building include Beckett Accounting, Economic Modeling Specialists (specializing in land management and transportation), McKetta and Associates (specializing in natural resources economics), CCbenefits (specializing in the economics of higher education), and ABSEARCH (an Asbury Street busi-

ness that provides electronic databases about wildlife, ecology, and fisheries through the Internet).

- Horizon Air added nonstop flights between Sea-Tac and Pullman-Moscow airports.
- Enrollment at the U of I increased 2.9 percent, 269 students, in 2002.
- The U of I was awarded more than \$4 million for research projects in the U.S. National Defense Appropriations Bill.
- Verizon laid off 15 workers in Moscow as part of a nationwide layoff.
- Eight U of I building projects were placed on hold because of budget concerns. All state construction projects funded through Idaho's permanent building fund were frozen.
- The U of I accounted for a half-billion dollars in sales in Latah County, with students generating \$90.6 million in off-campus sales according to a U of I/Latah County economic impact survey. While the U of I is the largest employer in Latah County, Washington State University is the second largest.

### **Lewis County**

Annual average employment in 2002 increased from 2001 (see Seaport Table 2: Labor Force & Employment by County, on page 10), but only by 33 jobs. Employment peaked in 1996 at 1,653. In 2002, almost all of the new jobs created were in public schools and food/convenience stores. The percentage of *Manufacturing* (*Lumber & Wood Products*) employment continues to decrease with the closing of U.S. Timber Company's Craigmont sawmill and temporary layoffs at other mills because of low wholesale prices and maintenance concerns. The Craigmont sawmill cut boards, dried and planed rough-cut lumber, and offered dimensional wood cut for specific orders. U.S. Timber Company bought Channel Lumber Company of Craigmont in 1997. The Channel Lumber Company dated back to 1958.

A bright spot in the county's economy is that the amount of money being spent on *Construction* continues to increase. This increase helped stimulate the county's economy in the first half of 2002. *Construction* increased because low land prices allowed people to build houses in Lewis County and commute to work in Lewiston. Three industries—*Agriculture*, *Lumber & Wood Products*, and *Government*—continue to dominate Lewis County's economy. Public lands within the county provide recreational opportunities, helping diversify the economy. Since 1980 jobs in *Agriculture* have decreased by one third. In Lewis County, the number of employers decreased by 1 from 2001 to 2002 for a total of 174.

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